

August 16, 2024

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AIRLINES

El Al Israel Airlines Signs On For Boeing 737 MAX

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El Al Israel Airlines has announced an agreement with Boeing for up to 31 Boeing 737 MAX-family aircraft to replace its aging 737NG fleet.

An all-Boeing operator for decades, El Al announced on June 10 that initial negotiations between Airbus and Boeing for the fleet renewal had concluded and that the airline's board had chosen to enter exclusive negotiations with Boeing and lessors for the 737 MAX.

The 31-aircraft order marks the largest aircraft purchase in El Al's 76-year history. The flag carrier did not specify that it had signed on for any particular variant of the MAX.

In a recent interview, El Al chief commercial officer Shlomi Zafrany told Aviation Week that the airline's future narrowbody fleet was a difficult decision to make "because both [Boeing and Airbus] products are very good."

"We are honored El Al has chosen Boeing to power its past, present and future as we continue to build on seven decades of partnership," Boeing Commercial Airplanes president and CEO Stephanie Pope said in the Aug. 15 announcement.

An El Al spokesperson said in June that the then-potential deal had an estimated

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Thailand Makes Progress Toward Ambitious 2024 Tourist Targets

ADRIAN SCHOFIELD, adrian.schofield@informa.com

The strong recovery of Thailand's tourist numbers has provided a welcome boost for the country's airlines, although the China market is still lagging and will be the key to further improvement.

When Thai Airways reported its earnings for the first half of 2024, it highlighted the overall tourism rebound as a major factor behind the revenue growth that is keeping it in the black despite mounting cost pressure.

Tourism is a vital part of the Thai economy, and Thailand was one of the most popular leisure destinations in the Asia-Pacific region before the pandemic. The Thai government recognizes this, so it has introduced a range of initiatives to encourage the return of tourists.

Among the most recent has been increasing the number of countries qualifying for a visa waiver program. This has been expanded by 36 to a total of 93 countries, effective from July 15.

Thailand had previously signed an agreement with China

for permanent reciprocal visa exemptions for tourists. This is particularly important as China was its leading source of tourists before the pandemic.

Such efforts appear to be paying off. Visitor numbers were up by over 50% in June versus the same month in 2023, data from CAPA and the Thailand Ministry of Tourism and Sports shows.

Foreign tourist numbers are now starting to approach pre-pandemic levels. In June, the monthly total reached almost 90% of the figure from 2019.

Thailand had 39.8 million visitors in 2019, but the level plummeted during the pandemic years. It rebuilt to 11.2 million in 2022, and 28.2 million in 2023. The government has set an ambitious target of reaching 35 million in 2024.

For the first six months of 2024, Thailand had 17.5 million tourists. This means tourist numbers so far are exactly on track to meet the full-year goal. The further easing of visa rules should

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value of \$2-2.5 billion over several years starting from 2027. This sum includes the purchase and lease of the aircraft, as of their future delivery dates, including engines and a supply of spare parts.

El Al's narrowbody fleet comprises 16 737-800s, one 737-800BCF and eight 737-900ERs

The 737 MAX order is part of El Al's long-term procurement plan, which began with the purchase of three additional 787-9s along with options for six more earlier this year to expand its current fleet of 17 787s. The carrier will take delivery of a new 787-9 this year and plans to receive two more new 787-9s on lease in the coming years, according to the statement.

Connecting Israel

The firming of the order comes at a particularly challenging time for Israel's flag carrier. The country is on high alert regarding possible airstrikes from Iran, a situation that would demand

maneuverability and rapid adjustments for the airline.

"El Al has a central role in ensuring open skies for Israel," CEO Dina Ben-Tal Ganancia said. The implementation of its strategic plan aims to expand the fleet, increase the value proposition for customers and increase capacity and seating.

Many foreign airlines have suspended flights to Israel, creating greater demand for El Al flights which in turn has put more pressure on the airline. El Al says it is flying at its maximum level during the summer peak season as it operates under tight schedules to and from Tel Aviv Ben Gurion International Airport.

El Al says its mission is to maintain air transport activities as much as possible. Ben-Tal Ganancia has said that El Al's top priority is to be an air bridge connecting Israel to the world.

El Al is the world's only airline to halt operations during Shabbat, the Jewish period of rest that runs from sunset on Friday to sunset on Saturday, but it aims to make up for this shorter week by heavily utilizing its fleet on other days.

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help it achieve this target.

Needless to say, Chinese travelers will play a large role in further tourist growth for Thailand.

There were almost 11 million Chinese visitors to Thailand in 2019, making China its largest source of tourists by a significant margin. When China's pandemic-era travel restrictions were finally removed in 2023 the Thai government was hoping for a fast rebound in tourist flows, although this did not occur.

Thai tourism officials aimed for 4-5 million Chinese visitors in 2023, but the total for that year ended up at just 3.5 million. In December 2023, the Tourism Authority of Thailand set a goal of lifting Chinese tourism arrivals to 8.2 million in 2024.

Steady progress has been made this year. Chinese tourists to Thailand were up nearly 70% year-on-year in June, after much larger gains in the previous five months. The June total is still 63.1% of the same month in 2019—a big improvement, but still a long way to full recovery.

The cumulative total for 2024 shows that significant gains in monthly numbers will be needed to reach the tourism authority's 2024 full-year target. Total Chinese visitors in the six months through June are at 3.4 million—less than half of the 8.2 million goal.

Most of Thailand's other major tourist markets are faring better. Monthly visitors from Malaysia, South Korea, Australia, the UK, and India are all essentially at 2019 levels. Numbers from Malaysia and Russia are ahead of pre-pandemic levels.

Visitors from the U.S. are still at 87.4% of the corresponding figure in 2019, and those from Japan are at 56.4%. However, both these markets accounted for less than 5% of total visitors in 2019.

In contrast, the China market accounted for 27.6% of Thailand's visitors in 2019, and 19.3% in June 2024. So, an improvement in this tourist flow would have the largest influence on moving overall visitor numbers toward a full recovery.

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AIRLINES

Alaska's Flight Attendant Leaders Urge Members To Rally For More Pay

LORI RANSON, lori.ranson@informa.com

The flight attendants' unions at Alaska Airlines believes additional solidarity actions are necessary now that a tentative agreement has been rejected.

Negotiators from the Association of Flight Attendants (AFA) and Alaska's management reached a tentative agreement in June that included an average 32% increase in pay scales and boarding pay, the first time that type of compensation was included in a legally binding contract.

But AFA members nixed the deal at the close of voting on Aug. 14.

The participation rate for the vote was 92.4%, with 68% voting against the tentative agreement and 32% in favor of the contract terms.

AFA's negotiating committee has communicated to members numerous tasks for completion now that the agreement was not ratified, including "scheduling additional mobilization efforts which will be necessary to put pressure on management,

increase our leverage, and get additional money into a new tentative agreement," the committee said in an update.

Alaska Airlines' flight attendants, represented by AFA, voted in favor of a strike authorization in February. The last major work action by Alaska's flight attendants occurred in 1993 when the work group launched intermittent strikes without notice dubbed CHAOS (Create Havoc Around Our System), a strategy that has since been trademarked.

"Flight Attendants need improvements as soon as possible. Our union will continue to fight for the contract Alaska flight attendants deserve. The next step is a member survey to determine key issues and return to the table to address them," AFA said. Alaska said it remains committed to "reaching an agreement that reflects the critical role of our flight attendants and is good for Alaska's long-term success."

Seattle-based Alaska Air Group had already factored the tentative agreement into its financial guidance. The company recently explained its unit costs excluding fuel would increase in the high single digits in the third quarter (Q3) and the second half of 2024. Alaska attributed two points of cost growth to the tentative agreement in Q3 and the fourth quarter.

AIRLINES

Flydubai Cancels New Baltic Routes Amid Boeing Delivery Delays

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Dubai-based flydubai has canceled the planned launch of three new routes to the Baltics, citing delays in aircraft deliveries from Boeing.

The airline had intended to begin its first routes to the Baltic region in October, with nonstop service from Dubai International Airport to the capitals of Estonia, Latvia and Lithuania.

Flights to Riga were scheduled to start on Oct. 11, followed by Tallinn and Vilnius on Oct. 12. All three routes were due to operate three times per week.

However, the services have now been pulled from flydubai's schedule before they have even launched, with the LCC blaming "delivery schedules and supply chain challenges."

"The carrier has canceled its upcoming route launches to Riga, Tallinn and Vilnius and is currently unable to confirm new dates for the resumption," a statement issued to Aviation Week says. "In line with these developments and to mitigate the impact, we are in touch with our customers and travel partners regarding their refund or rebooking options."

Flydubai revealed plans to launch the three routes in May,

alongside a new service to EuroAirport Basel-Mulhouse-Freiburg, which began on Aug. 2. At the time of the announcement, Jeyhun Efendi—flydubai's senior vice president for commercial operations and e-commerce—said the airline had already seen "strong demand" ahead of the proposed launches.

Despite this, flydubai has been beset by aircraft delivery delays, which it says have affected its expansion plans. Boeing was set to deliver 14 737-8s in 2024, but the airline confirmed on July 22 that it would not receive any new aircraft for the rest of the year.

"We are extremely disappointed to learn that Boeing will not be able to fulfill its commitment to deliver more aircraft for the remainder of the year," flydubai CEO Ghaith Al Ghaith said. "Boeing's short-noticed and frequent delivery schedule revisions have hindered our strategic growth plans, resulting in significant disruptions to our published schedules. The reduced capacity will ultimately affect our customers as well as our projected financial performance."

According to OAG Schedules Analyser data, there are currently no nonstop flights between Tallinn and Dubai or Vilnius and Dubai. However, airBaltic operates three flights per week between Riga and Dubai using Airbus A220-300 aircraft. Additionally, airBaltic plans to resume its seasonal Vilnius-Dubai route in November, which was initially launched in November 2023.

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Published daily except Saturdays, Sundays and holidays by Aviation Week, 2121 K Street, NW, Suite 210, Washington, DC 20037. (ISSN No. 0193-4597).
Gregory Hamilton, President, Aviation Week.

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Vol. 437 • No. 34

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AIRLINES

Wizz Air To Challenge Hungarian Competition Authority Fine

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ULCC Wizz Air plans to challenge a financial penalty imposed on it by the Hungarian Competition Authority (GVH) for allegedly steering passengers booking tickets with the airline toward more expensive options.

GVH fined Budapest-based Wizz HUF307 million (\$854,000) for failing to disclose that customers could buy “extra services” such as checked baggage or priority boarding separately, “thereby steering consumers towards more expensive packages” during the online booking process.

The GVH’s Competition Council imposed the fine “for violating the prohibition of unfair commercial practices.”

GVH said Wizz Air made several commitments to the Hungarian Competition Authority during the procedure, “but these were not accepted by the Competition Council, in view of their doubtful feasibility and the previous and ongoing proceedings.”

The Council found that between November 2018 and May 2024, “the airline failed to disclose—or did not communicate in a timely manner—that consumers could also choose to purchase certain additional services (Wizz Priority, checked baggage) separately when they opted for the basic service. In effect, the company has steered consumers toward more expensive packages that include these services as standard.

The Council also found that, from December 2019, the airline “had engaged in commercial practices regarding the content and limits of the automatic check-in service that breached the duty of care.”

GVH said Wizz Air offered several commitments to the Competition Council during the procedure. The commitments would have included, among other things, consumer compensation and an IT upgrade for the booking process.

In its assessment of the commitments, the GVH’s Competition Council “found it highly doubtful that the commitments would have achieved the original purpose of the procedure and that they could have been implemented effectively and efficiently without risking other failures.”

Given previous sanctions on the airline for unlawful commercial activities “and the fact that there are ongoing proceedings for allegedly withholding important information from passengers,” the GVH’s Competition Council said it could not accept the airline’s commitments.”

The GVH reiterated a call to airlines to publish ticketing information in a transparent and easily understandable way.

In response, Wizz Air said that it had cooperated with the GVH throughout the investigation, which had lasted for more than a year, and had behaved constructively.

Wizz Air, in a statement to Aviation Week, said “it is convinced that its booking process has always been clear, understandable and transparent and has served the interests of passengers. The airline questions the legality of the fine, disagrees with its reasoning and is taking legal action.”

The ULCC added that it prioritizes the interests of its passengers and that the fine was not in travelers’ interests.

Wizz accepted that it should have committed to compensate the affected passen-

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REGULATORY/LEGISLATIVE

Judge Overturns Zunum's Trade-Secret Damages Against Boeing

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Barely three months after a jury awarded failed electric aircraft startup Zunum Aero \$72 million in damages against Boeing for stealing trade secrets, a federal judge has overturned the decision and dismissed all charges against the manufacturer.

Zunum was founded in 2013 and in 2017 launched development of a 12-passenger hybrid-electric airliner, with Boeing Horizon X Ventures and JetBlue Technology Ventures as investors. The startup folded in 2018 after failing to raise more funds and in 2020 filed a lawsuit accusing Boeing and its suppliers of a targeted and coordinated campaign to gain access to its trade secrets.

On May 30, a Washington federal jury found Boeing guilty of the theft of 11 trade secrets and awarded Zunum a total of

\$72 million in damages. The jury found Boeing's theft of trade secrets "willful and malicious," which would allow the judge to impose up to treble damages.

Instead, on Aug. 14, U.S. Western District of Washington Judge James Robart concluded in a detailed 53-page ruling that Boeing had prevailed on all claims and he vacated the court's prior judgment, dismissing the charges and entering a judgment in the manufacturer's favor.

"We are grateful for the court's careful and thorough consideration of all the evidence at trial to reach this decision," Boeing said in a statement. Zunum said it would appeal the judgment. The startup owes Boeing \$12 million for failing to repay bridge loans made in 2017 and 2018.

Describing the jury verdict as "an electrifying win for Zunum" after it "threw the kitchen sink at Boeing" with its original lawsuit, Robart said that "Zunum failed to provide substantial evidence that any of the alleged trade secrets were in fact trade secrets."

REGULATORY/LEGISLATIVE

Singapore, China Sign Personnel Training Agreement

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SINGAPORE—The Civil Aviation Authority of Singapore (CAAS) and Civil Aviation Flight University of China (CAFUC) have signed a memorandum of understanding that will enhance the capacity building and training of civil aviation regulatory personnel and aims to expand the presence of Chinese aviation practitioners in the global aviation scene.

The agreement was signed on the sidelines of the 2nd Asia-Pacific Summit for Aviation Safety held in Beijing Aug. 13-15.

"CAAS and CAFUC will work together to develop and deliver customized aviation training and professional development programs, conduct studies in areas such as civil aviation regulatory practices and approaches, and offer technical assistance to other countries in the Asia-Pacific region," both parties said in a joint statement.

As the world's largest flight training institute, CAFUC trains nearly 200,000 professionals, including 70% of civil aviation pilots and half of air traffic controllers in China. CAFUC is directly affiliated with the Civil Aviation Administration of China (CAAC).

Both agencies seek to organize joint seminars and workshops

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gers. "However, instead of accepting compensation for passengers, the GVH decided to impose a fine whose use will be unpredictable for passengers and will not bring them any direct benefit," the airline said.

In July 2023, the UK CAA said it planned to take enforcement action against Wizz Air following hundreds of passenger complaints about the ULCC, mainly relating to the airline failing to provide alternative flights or render care and assistance after delays or cancellations.

Many passengers complained to the CAA that they had been unable to obtain compensation from Wizz Air for overnight accommodation or replacement flights they had been forced to

purchase from other carriers.

The CAA's normal approach in such circumstances is to give "guidance and advice" to airlines. However, the scale of the problem with Wizz Air was so great that it—unusually—required the airline to sign legally binding agreements to improve the situation.

Wizz Air said at the time that the stresses of summer 2022—including air traffic control disruptions, airport constraints, and widespread staff shortages across the industry—had overwhelmed its resources.

The airline accepted that passenger claims had taken too long to process and pay.

AIRLINES

Canada Jetlines Suspends Flights, To File For Creditor Protection

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Canada Jetlines will temporarily cease operations and file for creditor protection, three days after four senior executives, including the company's new CEO, resigned from their positions.

The Ontario-based carrier has halted flights with immediate effect after failing to secure a fresh injection of capital. The airline's suspension comes six months after fellow Canadian operator Lynx Air halted operations, citing financial pressure in a competitive market.

"The company, overseen by an independent board committee and advised by external advisors, pursued all available financing alternatives including strategic transactions, and equity and debt financings," a statement from Jetlines says. "Unfortunately, despite these efforts, the company has been unable to obtain the financing required to continue operations at this time."

The statement adds that Jetlines intends to file for creditor protection and advises passengers with existing bookings to contact their credit card company to secure refunds.

Jetlines commenced operations nearly two years ago after several false starts. The carrier's inaugural service launched in September 2022 with a route connecting Toronto Pearson International Airport (YYZ) and Calgary. The airline later opened

several scheduled leisure routes from YYZ, as well as carrying out charter and ACMI operations using a fleet of three Airbus A320 aircraft.

In May, the airline announced that Eddy Doyle was retiring as CEO at the end of June to be succeeded by chairman Brigitte Goersch. Jetlines also closed a non-convertible term loan agreement for C\$2 million (\$1.5 million) with an unnamed third-party corporation. However, on Aug. 12 the company announced that Goersch—along with executives Ryan Goepel, Beth Horowitz and Shawn Klerer—had resigned from the board. A statement at the time said the business was seeking to raise additional capital to continue operations.

The grounding comes after Calgary-based Lynx Air suspended flights in February, blaming "rising operating costs, high fuel prices, increasing airport charges and a difficult economic and regulatory environment" for the decision. The airline operated 10 domestic routes across Canada, as well as routes to Mexico and the U.S.

In July, Canada's Competition Bureau launched a study to examine what is driving the competition issues in the domestic airline industry. The study aims to look at the barriers to entry and expansion.

"We know many Canadians are frustrated by the cost and quality of the service being provided domestically," Commissioner of Competition Matthew Boswell said. "Our goal with this market study is to examine the current state of competition in Canada's airline sector and to determine what can be done to improve it."

AIRPORTS

Hong Kong Airport Seeks To Add Southeast Asian Connections

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Hong Kong International Airport (HKG) says it is endeavoring to increase connectivity to Southeast Asian destinations, leading the airport to sign partnership agreements with two airlines and two airport operators in that region.

Three of the pacts are tied to Vietnam. HKG signed a memorandum of understanding (MOU) with Airports Corporation Vietnam, the state-owned entity running Vietnam's airports. HKG says the MOU includes "exchange of experiences between management teams ... [and] talent development through courses offered at Hong Kong International Aviation Academy, sustainability development of the aviation industry and more."

HKG also signed similar agreements pledging cooperation with both Vietnam Airlines and VietJet.

In addition, the airport signed an MOU with Cambodia Airports, which runs Phnom Penh International Airport and other airports in the country with support from global airport manage-

ment firm Vinci Airports.

Airport Authority of Hong Kong Chairman Fred Lam says the agreements will "facilitate the opening of more routes and ... increase the frequency of flights connecting with Hong Kong."

He notes there are 85 weekly commercial flights (including both passenger and freighter services) between HKG and Vietnam. There are 10 weekly flights (including both passenger and cargo) between HKG and Cambodia. HKG handled 4.3 million passengers in June, up 29.1% year-over-year.

"All passenger segments, including Hong Kong residents and visitors, as well as transfer/transit passengers, experienced significant growth compared with the same month last year," HKG says in a statement. "Traffic to and from southeast Asia, mainland China and Japan recorded the most significant increases in the month."

The airport added it is "confident that the passenger traffic at [HKG] on peak days will fully recover to the pre-pandemic levels by the end of 2024."

HKG handled 25.3 million passengers in the first half of 2024, up 52.8% year over year. First-half cargo traffic at HKG increased 17.9% year over year to 2.4 million metric tons.

AIR NAVIGATION

Asia-Pacific Air Traffic Agencies Trial User-Preferred Routing

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SINGAPORE—The Air Navigation Service Providers (ANSPs) from Australia, Indonesia, New Zealand and Singapore have partnered with Air New Zealand, Garuda, Qantas, and Singapore Airlines to trial user-preferred routing (UPR) on 38 international routes between the four countries.

The UPR trials are meant to optimize airspace, reduce flight time and carbon emissions.

The trial commenced on Aug. 5 and will last for three months. The parties will review the results and explore the possibility of expanding UPR to include more cities and airlines.

The implementation of the trial is the fruition of the South-East Asia–Oceania Implementation of Free Route Trajectory Operations (FRTO) Project agreement signed in October 2023. Airservices Australia joined the project after the signing.

In UPR, pilots have the flexibility to choose the most efficient and direct routes to their destinations without flying on conventional airways.

The Civil Aviation Authority of Singapore (CAAS) estimates that airlines can potentially save up to 1,700 kg (3,700 lbs.) of fuel for a single flight between Singapore and Melbourne, and in turn cut over 1,960 tons of carbon emissions annually.

CAAS told Aviation Week that UPR routings to Australia departing from Singapore will involve flights to Adelaide, Auckland, Brisbane, Cairns, Christchurch, Darwin, Melbourne and Perth.

New Zealand already has UPR operations for domestic flights. “The benefits experienced through the use of UPRs have been limited to our airspace boundaries,” Air New Zealand CEO James Young said.

“We are excited to now be working with our Asia-Pacific partners through the Free Route Trajectory Operations program to ensure we can deliver environmentally sustainable solutions across the region.”

AIRLINES

VietJet Dominates Key Market As Profits Surge

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SINGAPORE—VietJet is dominating key tourism markets to South Korea, Australia and Taiwan as it continues to expand its network amid strong 2024 first half (H1) results, with profits exceeding initial targets by 21%.

VietJet will launch service between the southern Vietnam resort city Nha Trang and Daegu, South Korea, in October, bringing the total number of routes between the countries to 37.

In June, the carrier introduced operations connecting the Taiwanese cities of Taichung and Kaohsiung with the Vietnamese island Phu Quoc to meet a growing demand for service to the southern Vietnamese province of Kien Giang.

In the 2024 first quarter, Kien Giang province witnessed a 12-fold increase in Taiwanese tourists to 82,135.

CAPA – Centre for Aviation and OAG Schedules Analyser data shows South Korea is Vietnam’s largest market in terms of available seat kilometers (ASK), with Australia ranking third and Taiwan in fourth position in terms of ASK.

VietJet has 15.8 percentage points more seats than Vietnam Airlines to South Korea, taking 28.3% of total market share, according to CAPA data.

In Australia, VietJet commands a 46.3% market share, with Vietnam Airlines on 40%.

The LCC’s expansion in Australia is underpinned by the

introduction of Airbus A330 widebody aircraft. VietJet finalized an order for 20 A330neos at the Farnborough Airshow in a deal worth \$7.4 billion.

VietJet reported consolidated revenue of VND34.016 trillion (\$1.35 billion) over the first six months of 2024, up 15% year-on-year. The carrier’s pre-tax profit rose to VND1.3 trillion over the year-ago period, exceeding targets by 21%. The second quarter saw stronger growth, with revenue growing by 31% and pre-tax profit reaching VND517 billion.

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for safety inspectors in the region to address the needs of the Asia-Pacific market and promote knowledge exchange in areas such as data-driven oversight and smart regulation.

“CAFUC intends to take advantage of the resources of talent cultivation, research, industry training and regulatory personnel training to collaborate with CAAS,” said Guo Rengang, member of the standing committee of the party committee and director of CAAC Academy, CAFUC.

“This partnership aims to improve the personnel qualification and management level of both industries and promote the improvement of civil aviation regulatory capabilities of both sides, jointly provide intellectual, training, and regulatory research support to facilitate the high-quality development of the civil aviation industry in Asia-Pacific, Association of Southeast Asian Nations (ASEAN) and the world,” Guo said.

Industry Data

Jet Fuel Price Index, Week Ending Aug. 9, 2024

The global average jet fuel price fell 2.6% last week to \$93.02/bbl, compared to \$95.65/bbl the previous week.

| Aug. 9, 2024 | Share in World Index | cts/gal | \$/bbl | \$/mt | Index Value 2000 = 100 | vs. 1 week ago | vs. 1 month ago | vs. 1 yr ago |
|-------------------------|----------------------|---------|--------|--------|------------------------|----------------|-----------------|--------------|
| Jet Fuel Price | 100% | 221.90 | 93.20 | 735.94 | 254.8 | -2.6% | -8.3% | -17.0% |
| Asia & Oceania | 22% | 216.37 | 90.88 | 717.92 | 259.6 | -4.3% | -8.0% | -13.6% |
| Europe & CIS | 28% | 229.98 | 96.59 | 762.10 | 260.2 | -2.1% | -6.8% | -13.6% |
| Middle East & Africa | 7% | 217.75 | 91.45 | 722.10 | 273.1 | -3.4% | -7.1% | -13.7% |
| North America | 39% | 218.54 | 91.79 | 725.10 | 244.0 | -1.7% | -9.7% | -21.9% |
| Latin & Central America | 4% | 233.89 | 98.23 | 776.04 | 272.1 | -2.6% | -9.6% | -15.2% |

Note: \$/bbl: U.S. dollars per barrel
 cts/gal: U.S. cents per gallon
 \$/mt: U.S. dollars per metric ton

Source: IATA; S&P Global Platts

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